

This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT NO. 2422.

LISTED DECEMBER 24, 1969.
1,419,241 Common Shares without par value of which
112,475 shares are subject to issuance.
Stock Symbol "MRT".
Post Section 3.6.
Dial Quotation No. 2340.

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THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

MURRITT BUSINESS MACHINES LIMITED

Incorporated under the Laws of the Province of Ontario by
Letters Patent dated September 9th, 1958
and
Supplementary Letters Patent dated March 18th, 1968
Supplementary Letters Patent dated March 6th, 1969

CAPITALIZATION AS AT NOVEMBER 25th, 1969

SHARE CAPITAL	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
Common shares without par value	2,000,000	1,306,766	1,419,241*

*including 112,475 shares to be issued upon the exercise of the 112,475 share purchase warrants outstanding.

1. APPLICATION

MURRITT BUSINESS MACHINES LIMITED (hereinafter called the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 1,419,241 common shares without par value in the capital stock of the Company, of which 1,306,766 have been issued and are outstanding as fully paid and non-assessable.

2. & 3. HISTORY AND NATURE OF BUSINESS

The Company was incorporated in 1958 under the Laws of the Province of Ontario, for the purpose of selling copying, duplicating, and offset plate-making equipment and supplies therefor.

4. INCORPORATION

The Company was incorporated under the Laws of the Province of Ontario as a private company by Letters Patent dated September 9th, 1958. By Supplementary Letters Patent dated March 18th, 1968, the authorized capital of the Company was increased and by Supplementary Letters Patent dated March 6th, 1969, the Company was converted into a public company and its authorized capital was reclassified, sub-divided and changed so that its authorized capital at the date hereof consists of 2,000,000 common shares without par value.

5. SHARE ISSUES DURING PAST TEN YEARS

(a) Common shares without par value.

Date of Issue	No. of Shares Issued	Amount Realized Per Share	Total Amount Realized	Purpose of issue
*September 9, 1958 to March 18, 1968	775,075**	\$	412.00	Capital

(a) Common shares without par value—Continued.

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
May 2, 1969	225,000	\$ 3.25	\$ 731,250.00	Capital
June 25, 1969	25	\$ 3.50	\$ 87.50	Exercise of warrants
September 16, 1969	245,000	\$ 4.50	\$1,102,500.00	Consideration for acquisition of Photofax Products Ltd., and Photo- fax Products (Prince George) Ltd.
September 16, 1969	55,000	\$ 4.50	\$ 247,500.00	Consideration for acquisition of Murrith Systems Ltd.
October 16, 1969	6,666	\$ 5.28	\$ 35,196.48	Part consideration for acquisition of London Photocopy

*After giving effect to the issuance of Supplementary Letters Patent dated March 6th, 1969.

**Of these shares, 700,072 and 75,000 owned by Thomas Michael Devitt and Peter Schoeffler-Lubbock respectively, were deposited in escrow with The Royal Trust Company in accordance with an agreement made as of the 30th day of April, 1969, the said shares to be released from said escrow upon the consent in writing of The Ontario Securities Commission and the Company. 400,000 of the said shares were released pro rata to Messrs. Devitt and Schoeffler-Lubbock on December 2, 1969.

(b) 7% non-cumulative redeemable preference shares.

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
July 2, 1968	*200	\$100.00	\$ 20,000.00	Capital

*These shares were purchased for cancellation on February 15th, 1969.

6. STOCK PROVISIONS AND VOTING POWERS

Each common share carries one vote at all meetings of the shareholders.

7. DIVIDEND RECORD

During the last five completed financial years of the Company, the only dividends per common share of the Company after giving effect to the issue of the Supplementary Letters Patent dated March 6th, 1969, were \$0.008 per common share in each of the years 1966 and 1968.

All of the issued preference shares of the Company were issued in 1968 and were purchased by the Company for cancellation on February 15th, 1969. The only dividends paid on the preference shares were \$4.67 per share in August, 1968, and \$1.75 per share in December, 1968.

8. RECORD OF PROPERTIES

None.

9. SUBSIDIARY COMPANIES

Photofax Products Ltd. was incorporated under the Laws of the Province of British Columbia by Memorandum of Association dated the 29th day of March, 1965, with an authorized capital of 10,000 common shares without par value, all of which are held by the Company. The nature of its business is the same as that of the Company.

Photofax Products (Prince George) Ltd., was incorporated under the Laws of the Province of British Columbia by Memorandum of Association dated the 5th day of August, 1966, with an authorized capital of 10,000 common shares without par value, all of which are held by the Company. The nature of its business is the same as that of the Company.

Murrith Systems Ltd. was incorporated under the Laws of the Province of British Columbia by Memorandum of Association dated the 22nd day of November, 1967, with an authorized capital divided into 10,000 preference shares with a nominal or par value of \$1.00 each and in addition, is authorized to issue 500 Class "A" voting common shares and 500 Class "B" non-voting common shares of which 100 Class "A" voting common shares and 100 Class "B" non-voting common shares have been issued, all of which are held by the Company. The nature of its business is the same as that of the Company.

10. FUNDED DEBT

None.

OPTIONS, UNDERWRITINGS, ETC.

The Company has created 112,500 Share Purchase Warrants, each of which entitles the holder to purchase one share of the Company at a price of \$3.50 for each share at any time up to the close of business on March 31st, 1972, and on and after April 1st, 1972, the Warrants will be void. (25 of the said Warrants were exercised on June 25th, 1969.)

The Share Purchase Warrants have been created pursuant to a Trust Indenture dated as of March 31st, 1969, between the Company and The Royal Trust Company, as Trustee, which provides for adjustments in the number of shares to be issued upon the exercise of the Share Purchase Warrants and in the subscription price under certain conditions.

If, while any of the Share Purchase Warrants are outstanding, the Company pays a stock dividend, consolidates, sub-divides or reclassifies its shares, or issues shares for a consideration less than \$3.50 per share, the number of shares to be delivered at the time of each purchase of shares by the holders of any of the Share Purchase Warrants will be adjusted accordingly.

LISTING ON OTHER STOCK EXCHANGES

There are no securities of the Company listed on any other Stock Exchange.

STATUS UNDER SECURITIES ACT

Particulars of any filing, registration, approval or qualification with or by the Ontario Securities Commission or any corresponding governmental body or authority are as follows:

The Ontario Securities Commission issued its official receipt dated the 6th May, 1969, acknowledging receipt of material required under The Ontario Securities Act in reference to the offering of 112,500 units, each unit consisting of two common shares without par value and one share purchase warrant.

FISCAL YEAR

The fiscal year of the Company ends on August 31st in each year.

ANNUAL MEETINGS

The By-laws of the Company provide that the Annual Meeting of the Company shall be held at the head office of the Company or at such other place in Ontario on such date in each year as the Board of Directors may determine from time to time.

HEAD AND OTHER OFFICES

The head office is located at 286 Kipling Avenue South, Toronto, Ontario. The Company has offices in London, Ottawa, Ontario; Vancouver, Victoria, Prince George, Kelowna, British Columbia; Edmonton, Calgary, Alberta. Subsidiary companies were acquired in September, 1969.

TRANSFER AGENT

The Transfer Agent of the Company is:

The Royal Trust Company, Box 7500, Postal Station A, Toronto, Ontario.

TRANSFER FEE

No fee is charged on stock transfers other than the customary Government stock transfer taxes.

REGISTRAR

The Registrar of the Company is:

The Royal Trust Company, Box 7500, Postal Station A, Toronto, Ontario.

AUDITORS

The auditors of the Company are:

Smith, Nixon & Co., 372 Bay Street, Toronto, Ontario.

OFFICERS

The officers of the Company are:

<u>Name</u>	<u>Office</u>	<u>Home address</u>
Thomas Michael Devitt	President	21 Lorraine Gardens, Etobicoke, Ontario
Peter Schoeffler-Lubbock	Vice-President	117 Valecrest Drive, Toronto, Ontario
Robert Alexander Cranston, Q.C.	Secretary	220 Cortleigh Boulevard, Toronto, Ontario
Stanley Joseph Thomas	Treasurer	1276 Tynburn Crescent, Mississauga, Ontario

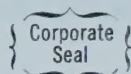
The directors of the Company are:

<u>Name</u>	<u>Home address</u>
Robert Ernest Tait Asseltine	964 Glen Street, Kelowna, British Columbia
Robert Alexander Cranston, Q.C.	220 Cortleigh Boulevard, Toronto, Ontario
Thomas Michael Devitt	21 Lorraine Gardens, Etobicoke, Ontario
James Lawrence Cowan Jenner	45 Thicket Road, Etobicoke, Ontario
Harry Ritchie	3470 Stanley Street, Montréal, Québec
Douglas Harold Ross	R.R. 1, Sunnyside Road, Westbank, British Columbia
Peter Schoeffler-Lubbock	117 Valecrest Drive, Toronto, Ontario

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, Murrith Business Machines Limited hereby applies for listing of the above-mentioned securities on The Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

MURRITH BUSINESS MACHINES LIMITED



Per: "T. M. DEVITT",
President

Per: "R. A. CRANSTON",
Secretary

DISTRIBUTION OF CAPITAL STOCK AS OF NOVEMBER 25TH, 1969

Number		Shares
6	..... Holders of 1 — 24 share lots	53
61	..... " " 25 — 99 " "	3,075
113	..... " " 100 — 199 " "	11,780
67	..... " " 200 — 299 " "	13,790
12	..... " " 300 — 399 " "	3,600
17	..... " " 400 — 499 " "	6,850
46	..... " " 500 — 999 " "	27,165
58	..... " " 1000 — up " "	1,240,453
<u>380</u>	Shareholders	<u>Total shares</u>
		<u>1,306,766</u>

MURRITT

murritt business machines limited • 1969 annual report

MURRITT

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The annual meeting of shareholders
will be held at 11 AM on
Monday December 8th 1969 in
the New Brunswick Room
at the Royal York Hotel
100 Front St. West, Toronto, Ontario.

MURRITT BUSINESS MACHINES LIMITED • HIGHLIGHTS OF 1969

	1969	1968	% Change
Net Sales	\$3,089,498	\$1,730,540	+ 78.5
Income before Income Taxes	\$ 310,184	\$ 67,183	+361.7
Net Income	\$ 160,084	\$ 42,183	+279.5
Per Share of Common Stock	\$.19	\$.05	+280.0
Current Assets	\$1,386,096	\$ 563,931	+145.8
Current Liabilities	\$ 458,887	\$ 432,963	+ 6.0
Working Capital	\$ 962,405	\$ 130,968	+634.8
Shareholders Equity	\$1,057,245	\$ 186,173	+467.9
Total Assets	\$1,516,132	\$ 619,136	+144.9

TRANSFER AGENT & REGISTRAR

The Royal Trust Company

LEGAL COUNSEL

Lang, Michener, Cranston,
Farquharson and Wright

AUDITORS

Smith, Nixon & Company

BANKERS

Bank of Montreal

directors

Robert E. T. Asseltine

General Manager
Photofax Products Limited

Robert A. Cranston

Partner
Lang, Michener, Cranston,
Farquharson and Wright

T. M. Devitt

President

J. L. C. Jenner

Registered Representative
Wills, Bickle and Company Limited

Harold Ritchie

President
Rotaprint Company of Canada Limited

Douglas H. Ross

General Sales Manager
Photofax Products Limited

Peter Schoeffler-Lubbock

Vice-President Marketing

officers

T. M. Devitt, President

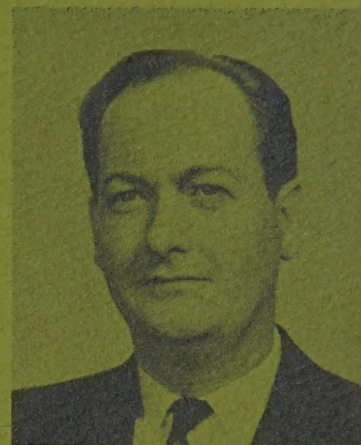
P. Schoeffler-Lubbock, Vice-President Marketing

R. E. T. Asseltine, General Manager, Western Region

D. H. Ross, General Manager, Western Region

S. J. Thomas, Treasurer

R. A. Cranston, Secretary



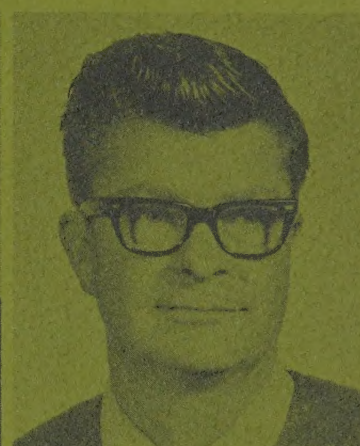
T. M. Devitt



Peter Schoeffler-Lubbock



Robert E. T. Asseltine



Douglas H. Ross



S. J. Thomas



Robert A. Cranston



Harold Ritchie



J. L. C. Jenner

1969 was a year your Company achieved its greatest growth in both sales and earnings. MURRITT expanded its operations in established markets and also laid the foundation for additional marketing outlets across Canada.

Sales in the year ended August 31st, 1969 were \$3,089,498 compared to \$1,730,540 in the previous year, an increase of 78.5%. Net income was increased even more dramatically from \$42,183 to \$160,084 an increase of 279.5%. Earnings per share climbed from .05¢ per share in 1968 to .19¢ per share in 1969.

Your Company opened a branch office in Ottawa and through the acquisition of various Companies will have in operation in the fiscal year 1969-1970 branch offices in London, Edmonton, Calgary, Prince George, Kelowna, Vancouver and Victoria.

Our product line will be expanded in the current fiscal year with the introduction of two new Copiers, the Savin Model 215 and the Savin Model 230, New Microfilm equipment developed by Savin, High Speed Programmed Copier/Duplicators and a complete range of Electronic Calculators.

An Electrostatic Color Process will be available to MURRITT upon completion of development by Savin. We feel the potential for this process can prove to be very exciting.

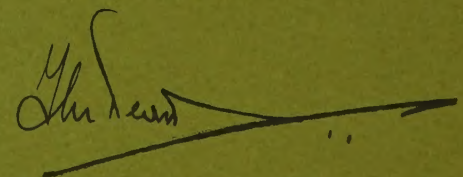
Our new head office in Toronto is under construction and is expected to be completed by January 1970. These leased premises will provide MURRITT with 33,000 square feet, giving greater facilities for Administration, Sales, and Distribution operations.

Since the year end your company established direct marketing operations

in Western Canada by acquiring its three major dealerships in British Columbia.

MURRITT more than fulfilled its objectives in 1969. We believe that our sales growth in 1969 will be exceeded in the fiscal year of 1970. We owe this expansion largely to the enthusiasm and dedication of all our employees. This being our first year as a public company, I would like to welcome our MURRITT shareholders and also to thank our customers, suppliers, and employees for their continued support and confidence.

Sincerely,

A handwritten signature in dark ink, appearing to read "John S. ...", with a long horizontal line extending to the right.

President

During fiscal 1968/69 the Company's marketing programme was essentially one of building. Yet we accomplished an unprecedented increase in sales of 78.5%, and we expect this momentum to bring further impressive growth this year.

Specifically we concentrated on two basic marketing objectives during the year. First, the development of a larger, highly specialized sales organization; second, bringing more effective sales power into areas in Canada where our market share had hitherto been inadequate.

The obvious success of these objectives was heightened by the very high degree of user acceptance of the Company's range of products, in particular the Savin 220 book Copier.

Expansion: In our efforts to increase the capability of our marketing force, special emphasis was placed on effective sales recruitment and training techniques, and on methods to ensure continued customer satisfaction with the Company's products. This brought about a substantial increase in the size of our sales organization.

Ontario: In Ontario alone the number of those directly involved in a creative sales function increased from 12 to 29; while those involved in a sales support or technical capacity increased in number from 9 to 20. The total effort of these combined forces is now focussed, more effectively than ever, on the placement of the Company's copying or Copier/Duplicator products with customers and on ensuring that a high degree of satisfaction with our products brings the continuation of consumable supply sales to those customers.

Branch offices are now established in Ottawa and London, and sales and service centres located in North Bay and Sudbury. All of these areas were previously served by dealers.

The Company's expansion programme in Ontario resulted in two important acquisitions. In Ottawa, now our Eastern Region headquarters under the management of Robin E. Cantlon, negotiations were set in motion with Ken Finlay Limited, a firm specializing in office copying products. The acquisition was finalized shortly after the fiscal year-end, and brought into the Company K. H. Finlay whose long experience of successful marketing in the copying industry will prove a considerable asset.

In London, Ontario, the Company acquired London Photocopy, a firm which had also specialized successfully in the marketing of office copying products. Management of the firm, to be operated as a subsidiary, will remain unchanged under Raymond B. Bright, and will become the springboard for expansion into the lucrative Southwestern Ontario market.

Western Canada: The Company's acquisition programme in September 1969 added substantial strength to its marketing force in Western Canada, the beneficial effects of which are already being felt.

Photofax Products Limited, for four years the Company's distributor in Central British Columbia, and more recently Alberta, and Murrith Systems Limited, for two years our dealer in Vancouver, will be operated as wholly owned subsidiaries and are expected to produce a major expansion of the Company's marketing interests in Western Canada.

Robert E. Asseltine, General Manager of the Western organization, Douglas Ross, General Sales Manager, David Stanley and David Conder, managers of Edmonton and Vancouver branches respectively, together form a group of exceptionally talented marketing and management personnel.

This acquisition gives the company no less than six additional branch offices plus eight sales and service centres. It also adds

to our marketing team thirty-five new sales representatives and field managers who will constitute the nucleus for growth in the coming years.

Products: Although the Company's product range has been considerably enlarged during the year, the copying equipment manufactured by Savin Business Machines Corporation of New York has formed the backbone of our sales growth.

The Savin 220 book Copier has been the major factor in reaching the high sales levels of the past year. Despite increased manufacturing schedules, we were still in a back order situation at the end of the year. Placements of this electrostatic copier are continuing at a highly accelerated rate due in large measure to its widely recognized reliability and convenience, and in part to new marketing techniques and skills.

The Savin 220's capability in the production of high quality electrostatic offset masters has also been instrumental in the development of new markets for our offset and Copier / Duplicator equipment, of which more will be mentioned shortly.

Other members of the Savin product family have continued to widen our marketing potential. A new coin operated copier, the Savin 222, was introduced during the year and is already proving itself in the expanding University and Library markets. The Company is conducting research into a modified version which will bring the coin operated copier principle within the scope of the grade schools and commercial public access areas.

The Company has concentrated on developing a range of copying duplicating and accessory products which, cater to all possible reproduction requirements, from firms requiring no more than one or two copies a day to those whose annual copying volume is in the millions. As the need for copies grows yearly at a phenomenal rate, it is essential that we

MURRITT BUSINESS MACHINES LIMITED • BALANCE SHEET

as at August 31, 1969

	ASSETS	1969	1968
Current Assets			
Cash		\$ 89,466	\$ 3,050
Short term bank deposit receipt		100,000	—
Receivables		608,953	320,898
Inventories — at the lower of cost or net realizable value		574,816	235,873
Prepaid expenses		12,861	4,110
		<u>1,386,096</u>	<u>563,931</u>
Fixed Assets			
Furniture, equipment and automobile — at cost		29,239	22,761
Accumulated depreciation		<u>12,716</u>	<u>10,056</u>
		<u>16,523</u>	<u>12,705</u>
Other Assets			
Contracts and goodwill — at cost		96,670	42,500
Deferred financing expenses, less amount amortized		16,843	—
		<u>113,513</u>	<u>42,500</u>
		<u>\$1,516,132</u>	<u>\$619,136</u>

APPROVED ON BEHALF OF THE BOARD

T. M. Devitt Director

P. Schoeffler-Lubbock Director

MURRITT BUSINESS MACHINES LIMITED • BALANCE SHEET

as at August 31, 1969

	LIABILITIES	1969	1968
Current Liabilities			
Bank loan (Secured)		\$ —	\$139,000
Accounts payable and accrued liabilities		289,302	268,528
Deferred revenue		3,656	6,580
Income taxes payable		130,733	18,855
		<u>423,691</u>	<u>432,963</u>
Purchase Agreement Payable (note 2)		35,196	—
		<u>458,887</u>	<u>432,963</u>
	SHAREHOLDERS' EQUITY		
Capital Stock (note 1)			
Authorized —			
2,000,000 common shares without par value			
Issued and fully paid —			
200 preference shares		—	20,000
1,000,100 common shares (31,003 in 1968)		731,750	412
		<u>731,750</u>	<u>20,412</u>
Retained Earnings		325,495	165,761
		<u>1,057,245</u>	<u>186,173</u>
		<u>\$1,516,132</u>	<u>\$ 619,136</u>

(See accompanying notes to financial statements)

MURRITT BUSINESS MACHINES LIMITED • STATEMENT OF EARNINGS

for the year ended August 31, 1969.

	1969	1968
Sales	<u>\$3,089,498</u>	<u>\$1,730,540</u>
Earnings Before the Following Items —	<u>426,280</u>	<u>197,443</u>
Remuneration of directors and senior officers	96,495	114,252
Depreciation	4,492	3,653
Financing expenses amortized	5,604	—
Bank interest (net)	<u>9,505</u>	<u>12,355</u>
	<u>116,096</u>	<u>130,260</u>
Earnings Before Income Taxes	<u>310,184</u>	<u>67,183</u>
Provision for Income Taxes	<u>150,100</u>	<u>25,000</u>
Net Earnings for the Year	<u>\$ 160,084</u>	<u>\$ 42,183</u>
Net Earnings Per Share (Note 3)	<u>19¢</u>	<u>05¢</u>

STATEMENT OF RETAINED EARNINGS

for the year ended August 31, 1969.

	1969	1968
Balance — Beginning of Year	\$165,761	\$130,712
Add: Net earnings for the year	<u>160,084</u>	<u>42,183</u>
	<u>325,845</u>	<u>172,895</u>
Deduct: Dividends paid —		
Preference shares	350	933
Common shares	<u>—</u>	<u>6,201</u>
	<u>350</u>	<u>7,134</u>
Balance — End of Year	<u>\$325,495</u>	<u>\$165,761</u>

(See accompanying notes to financial statements)

MURRITT BUSINESS MACHINES LIMITED • STATEMENT OF SOURCE AND USE OF FUNDS

for the year ended August 31, 1969

Source of Funds	1969	1968
Net earnings for the year	\$160,084	\$ 42,183
Add: Charges not requiring outlay of funds —		
Depreciation	4,492	3,653
Financing expenses amortized	5,604	—
	<u>170,180</u>	<u>45,836</u>
Proceeds from sale of preference stock	—	20,000
Proceeds from issue of common shares, less financing expenses	708,891	—
	<u>879,071</u>	<u>65,836</u>
Use of Funds		
Goodwill portion of acquisition	44,270	—
Less: Purchase agreement payable (Note 2)	35,196	—
	<u>9,074</u>	<u>—</u>
Purchase of fixed assets (Net)	8,310	3,442
Redemption of preference shares	20,000	—
Acquisition of franchise contract	9,900	—
Payment of dividends	350	7,134
	<u>47,634</u>	<u>10,576</u>
Increase in Working Capital	831,437	55,260
Working Capital — Beginning of Year	130,968	75,708
Working Capital — End of Year	<u>\$ 962,405</u>	<u>\$130,968</u>

(See accompanying notes to financial statements)

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of MURRITT BUSINESS MACHINES LIMITED as at August 31, 1969 and the statements of earnings, retained earnings and source and use of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at August 31, 1969 and the results of its operations and the source and use of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

SMITH, NIXON & CO.

Chartered Accountants Toronto, Ontario, November 18, 1969

MURRITT BUSINESS MACHINES LIMITED • NOTES TO FINANCIAL STATEMENTS

for the year ending August 31, 1969

1. **Capital Stock and Share Purchase**

Warrants: By supplementary letters patent dated March 6, 1969:

- (a) 31,003 issued common shares without par value were subdivided into 775,075 issued common shares on a 25 for 1 basis;
- (b) the 1,800 unissued preference shares were reclassified, changed and subdivided into 180,000 common shares; and
- (c) the 8,997 unissued common shares were subdivided into 1,044,925 common shares thus increasing the total authorized capital to 2,000,000 common shares without par value.

During the year the Company purchased for cancellation 200 outstanding preference shares for \$20,000 cash; and pursuant to an underwriting agreement dated February 21, 1969, issued 225,000 common shares without par value together with 112,500 share purchase warrants for an aggregate cash consideration of \$731,250. 25 share purchase warrants were exercised during the year.

112,475 shares of the Company's capital stock have been reserved for issuance upon the exercise of the balance of the share purchase warrants. Each warrant entitles the holder thereof to purchase one common share of the

Company's capital stock at a price of \$3.50 on or before March 31, 1972.

Shares issued subsequent to the fiscal year end are set out in Note 6 under the heading "Events subsequent to the balance sheet date".

- 2. **Acquisition:** Effective May 1, 1969 the Company acquired the net assets of London Photocopy in consideration for \$23,147 cash and 6,666 common shares of the Company. The balance owing to the proprietor of London Photocopy (shown on the balance sheet under "purchase agreement payable") was discharged on October 8, 1969 (the closing date) by the issuance of 6,666 shares.
- 3. **Net earnings per share of common stock:** The net earnings per share figures are calculated using the weighted monthly average number of common shares outstanding during the respective fiscal years after giving retroactive effect to the stock split (25:1) on March 6, 1969.
- 4. **Lease Commitments:** The Company has signed an application to enter into a lease agreement on real property in the Toronto area for a term of fifteen years commencing in January 1970 at a minimum annual rental of \$27,456. Also, the company is presently negotiating a lease on real property in Ottawa for a

term of five years commencing September 1, 1969 at a minimum annual rental of \$6,000.

Rentals under all leases for premises for the year ended August 31, 1969 amounted to \$13,441 (1968 — \$13,192).

- 5. **Contingent Liability:** The Company is contingently liable for customers' equipment leases purchased by a finance company. As at August 31, 1969 such outstanding leases totalled \$361,073.
- 6. **Events subsequent to Balance Sheet Date:** Subsequent to the fiscal year end, the Company acquired all the outstanding shares of Photofax Products Ltd. and Photofax Products (Prince George) Ltd. in consideration for a total of 245,000 common shares of the Company. The value ascribed to such shares of the Company by its directors was \$1,102,500 (equivalent to \$4.50 per share).

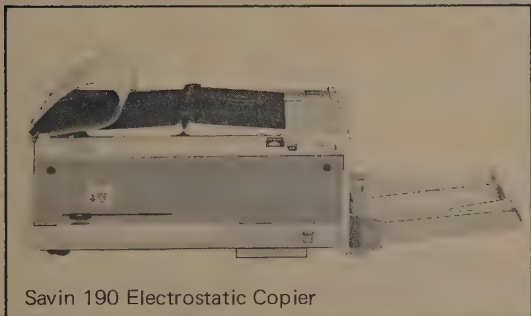
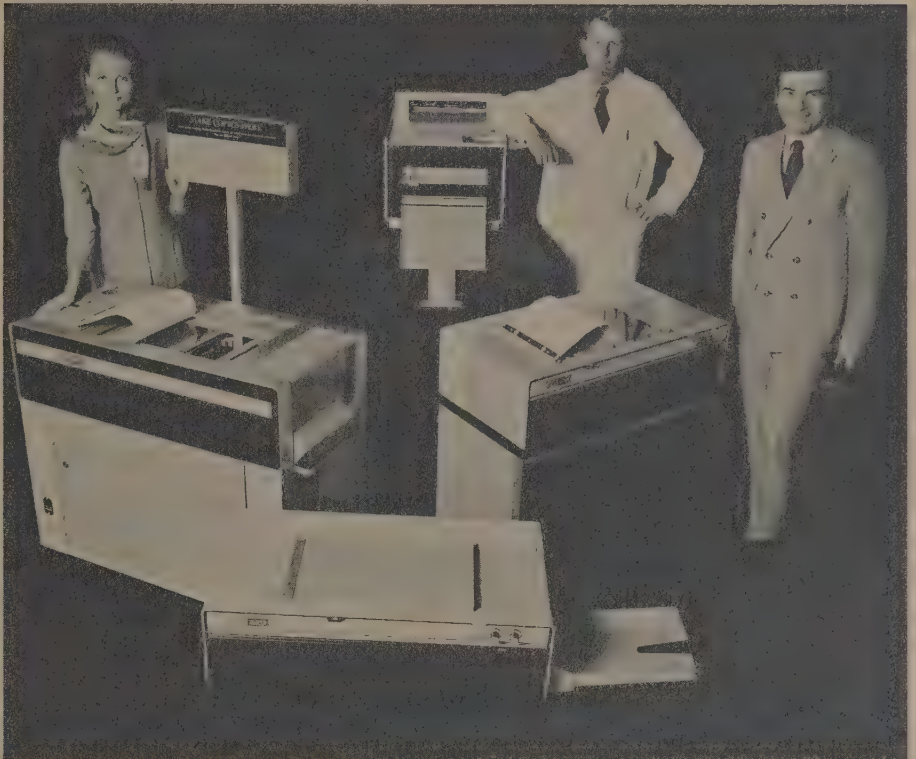
The Company also acquired all the outstanding shares of Murritt Systems Limited in consideration for 55,000 common shares of the Company and the value ascribed thereto by the directors was \$247,500 (equivalent to \$4.50 per share).

In addition, the company issued 6,666 common shares to the vendor of London Photocopy (See Note 2).

New Low Cost Copier/Duplicator System



The Savin Family of Electrostatic Copiers



Savin 190 Electrostatic Copier



Murritt Exhibit at Canadian National Business Show



Norfin Callator and Rotaprint Duplicator "on Line"

be able to offer total copy systems, whether they be centralized, decentralized or both. This requirement has been fully realized as a result of the development of our Copier/Duplicator concept, which links the Savin 220 Electrostatic Copier with the Rotaprint Offset Duplicator. This combination produces ordinary paper copies at high speed at costs of less than a cent per copy.

Since a serious byproduct of high volume copy-duplicating is often a problem of collating and sorting the copies, the Company added to its product range the Norfin brand of high-speed collators. These machines can either be attached "on line" to an offset press or duplicator so that printing and sorting are done simultaneously, or operated independently with the aid of a "page-boy" feeder. Norfin collators, which are manufactured in Seattle, can operate at speeds in excess of 20,000 sheets per hour, and can be operated by punch card systems for varying distribution.

A highly successful product, on which

increasing sales emphasis is being placed, is the Roto model F.13 metal offset platemaker. In recent years the Copyrapid process of producing a metal offset plate (developed by the Agfa-Geveart Company of Belgium) has been refined and perfected to the point that a plate of exceptional quality can be produced in normal room light, in less than two minutes, for only 60¢. The Roto Platemaker adds to this process simplicity of plate production and perfect alignment. New and larger models are to be introduced shortly.

Planning for the future: Immediate prospects, and those of longer range, call for continuing and substantial growth. Our technical and marketing expertise will reach higher levels of sophistication as the copying and duplicating industry continues its rapid growth.

What of new products? As indicated in the President's message, our suppliers are far advanced in the development of electrostatic colour processes and high speed Copier/Duplicator systems. We expect to lead, rather than follow, industry changes in Canada in the coming years.

Of immediate interest is the fact that two new Savin copiers will be introduced this year, which will help to accelerate the increase in machine population in our marketing area, and to build up our volume of consumable supplies to record levels.

We expect to increase our penetration of specialized markets, such as the educational field, and we are developing a National Accounts programme. We are introducing a new concept which brings the advantages of copy-duplicating to medium volume copying users; this concept employs a significant new method for producing stencils thermographically in six seconds, in contrast with the time consuming methods of typing a conventional stencil. We have already taken key steps to ensure wide distribution of the thermal stencil itself in Canada through major wholesalers.

Of particular importance, we hope to make continued progress in the area of personnel and organization, since we recognize that these, above all, are the vital elements in our future growth.

The logo for MURRITT, featuring the word "MURRITT" in a bold, serif, all-caps font. The letters are white and stand out against a dark, textured background that appears to be a close-up of a machine's surface.

MURRITT BUSINESS MACHINES LIMITED

HEAD OFFICES

Murritt Business Machines Ltd. 286 Kipling Ave., S. Toronto 18, Ontario

BRANCHES:

368 Industrial Ave., Kelowna, B.C.
1039 17th Ave. S.W. Calgary
10303 124th St., Edmonton
1628 West 7th Ave., Vancouver
727C Johnston St., Victoria

1627 Dundas St. E., London
5B Caesar Ave., Ottawa 12
819 Lakeshore Drive, North Bay
240 Cedar St., Sudbury

FINANCIAL STATEMENTS

MURRITT BUSINESS MACHINES LIMITED AND SUBSIDIARY COMPANIES

CALCULATION OF COMBINED EARNINGS AFTER INCOME TAXES

Subsequent to the Company's year end, August 31st, 1969, it acquired the subsidiaries referred to in paragraph 9. These acquisitions would have had and have the following effect on the earnings of the Company and on shareholders' equity in the Company.

	Net Profit After Income Taxes		
	August 1969	August 1968	August 1967
Murritt Business Machines Limited—Year ended August 31 of each year	\$160,084	\$ 42,183	\$25,902
Subsidiary companies acquired in September, 1969:			
Photofax Products (Prince George) Ltd.—Year ended August 31 of each year	44,173	Nil	Nli
Photofax Products Ltd.—			
Seven months ended August 31, 1969	13,977		
Five months ended January 31, 1969 (\$47,802***—\$39,736)	8,066		
Seven months ended August 31, 1968		39,736	
Five months ended January 31, 1968 (5/12 x \$47,577**)		19,824	
Seven months ended August 31, 1967 (7/12 x \$47,577**)			27,753
Five months ended January 31, 1967 (5/12 x \$29,155*)			12,150
Murritt Systems Limited—Year ended May 31, 1969 (First year of operations)	20,673		
	<u>\$246,973</u>	<u>\$101,743</u>	<u>\$65,805</u>

* Reported net profit for the twelve months ended January 31, 1967.

** Reported net profit for the twelve months ended January 31, 1968.

*** Reported net profit for the twelve months ended January 31, 1969.

MURRITT BUSINESS MACHINES LIMITED AND SUBSIDIARY COMPANIES

CALCULATION OF COMBINED SHAREHOLDERS' EQUITY AND NET TANGIBLE ASSETS

AS AT AUGUST 31, 1969

	Shareholders' Equity	Intangible Assets	Tangible Net Assets
Murritt Business Machines Limited	\$1,057,245	\$96,670	\$ 960,575
Subsidiary Companies:			
Photofax Products (Prince George) Ltd.	45,108	—	45,108
Photofax Products Ltd.	165,150	—	165,150
Murritt Systems Limited	15,301	1,800	13,501
	<u>\$1,282,804</u>	<u>\$98,470</u>	<u>\$1,184,334</u>

